

## PRESS RELEASE



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## USAID GIVES US\$1.8M TO ILO TO IMPROVE CAMBODIAN WORKERS CONDITIONS, CUT DISPUTES

The United States is giving US\$1.8 million to the International Labor Organization (ILO) to help fund two ILO projects that play an important role in improving the quality of life for working people in Cambodia.

The funds – to be distributed over three years - will be used to support the work of Better Factories Cambodia and the Labor Dispute Resolution Project.

"The remarkable growth in Cambodia's garment sector in recent years came not at the expense of human rights but precisely because Cambodia carved out a niche for itself as a proponent of labor standards," stated Joseph A. Mussomeli, US Ambassador to Cambodia. "These labor standards are now a source of competitiveness for Cambodia in the international marketplace."

Since 2001 Better Factories Cambodia has been working to improve conditions in Cambodia's export garment factories, which employ more than 270 000 people and make a vital contribution to the country's export earnings. The project combines independent monitoring of working conditions with finding solutions for problems through suggestions to management, training, advice and information.

The USAID funds will support the development of a unique information management system that will allow monitoring and training information to be shared by factories and international buyers. It will fund training on workers rights and responsibilities and ensure that Better Factories Cambodia continues to operate successfully after it is handed over to local management in 2009.

The ILO's Labor Dispute Resolution Project helps Cambodia - government, employers and workers - find ways of preventing and resolving disputes, and encourages constructive, voluntary ways of solving problems.

The establishment in 2003 of a national tripartite Arbitration Council is seen as a major landmark in the development of sound labor relations. Since it began work the Council has handled around 200 labor disputes, the overwhelming majority of which have been resolved successfully. Reducing disputes through legal and peaceful channels enhances Cambodia's business image and improves productivity and social development.

The USAID grant will fund a strategic plan to ensure the work of the Arbitration Council continues. It will allow government, employers and workers to strengthen workplace cooperation, collective bargaining and conciliation. In particular this phase of the project will focus on emerging industrial sectors such as hotels and tourism, construction and plantations.

Christine Evans-Klock, Director of the ILO's Sub-Regional Office for East Asia, which includes Cambodia, said; "Improving working conditions and supporting compliance with national labor laws and international standards is at the heart of the ILO's mission. It is crucial to alleviating poverty in one of the poorest countries in the world. We are delighted to receive this support from USAID and that this important work will continue in partnership with the Ministry of Labor, CAMFEBA and labor unions".

USAID Mission Director, Mr. Jonathan Addleton, said USAID was thrilled to be working with the ILO on the two projects. "The ILO has built a reputation in Cambodia for innovative and successful programs that deliver practical results. We are proud that the American people can continue to support that work and help improve the working lives of ordinary Cambodians."

For more information please contact the U.S. Embassy's Public Affairs Section.

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